

Office of Attorney General Terry Goddard



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FOR IMMEDIATE RELEASE

Attorney General Issues Warning on Gas Prices

(Phoenix, Ariz. - Sept. 22, 2005) Attorney General Terry Goddard today warned gasoline refiners, suppliers and retailers that state authorities will be closely watching gas prices this weekend for increases unrelated to supply disruptions.

"Hurricane Rita should not be used as an excuse for unreasonable price hikes. The storm may damage oil production facilities in Texas, which could temporarily reduce supplies and eventually push up prices. But higher prices in Arizona do not appear to be justified right now, since almost none of the gas coming here is produced in Houston area refineries," Goddard said.

"What I'm concerned about are arbitrary and excessive price spikes that bear no relationship to cost or supply. We will be watching to be sure prices at the pump reflect the supply situation and do not exploit the storm to rip off consumers."

Last week, Goddard opened an investigation under the state's antitrust and consumer fraud laws into steep gas price hikes that followed Hurricane Katrina. Those increases moved Arizona's pump prices higher than California's for the first time in years. Goddard also has a leadership role with other state attorneys general in a multi-state investigation of gas price gouging.

"I will not hesitate to open a new investigation if we believe excessive prices are being charged in a manipulative attempt to capitalize on the hurricane," he said. "Since Arizona receives very little of its supply from the region where Rita is headed, our supply should not be directly affected."

Goddard added that his office will also be looking for evidence of wholesalers or retailers who misstate their supply in an effort to justify higher prices or cause panic buying.

Goddard noted that the oil industry appears more concerned about price manipulations. He referred to a full-page ad placed in national newspapers Thursday by the American Petroleum Institute. The ad stated: "We want to make our view crystal clear: price gouging at the pump must not be tolerated. If anyone does it, they should be prosecuted under existing laws."

The industry's call to prosecute price gougers, Goddard said, supports his effort for Arizona to join 28 other states that have consumer protection laws against gouging. The Legislature has failed to pass such a statute in each of the past two years.

For consumers who want to file a gas price complaint, the Arizona Attorney General's Office offers an online form at www.azag.gov. Consumers also can call the Office in Phoenix at 602.542.5763; in Tucson at 520.628.6504; or outside the Phoenix and Tucson metro areas at 1.800.352.8431.

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